



Public Finance Division

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ALBANY, NEW YORK
CITY OF ALBANY
CITY OF ALBANY

August 1, 1988

Fred Reid
P.O. Box 3006
Lodi CA, 95241-1910

SUBJECT: MORTGAGE CREDIT CERTIFICATION PROGRAM

Dear Fred:

This letter is to make you aware of an Opportunity for your city to make Homeownership a reality for average income home buyers. If your City Council acts, you can ensure that moderate families realize the unique American Dream of Homeownership and at the same time benefit your local Builders, Realtors, and Lenders.

MORTGAGE CREDIT CERTIFICATES

In 1981 the U.S. Congress adopted amendments to Tax Exempt Bonding Regulations which, among other things, enacted a new type of tax credit known as the Mortgage Credit Certificate (MCC).

Rather than issuing Tax-Exempt Revenue Bonds to assist moderate-income Home Buyers, Cities and Counties are now permitted to issue MCCs to eligible average income households for the purchase of their first home. For the typical city in Northern California, households earning up to \$30,000 annually can receive a Tax Credit of up to \$2,000 each year, if they purchase an existing, or newly constructed home selling for under \$101,000.

Issuance of an MCC to an average household entitles them to a dollar-for-dollar Tax Credit of up to \$2,000 on their Federal Income Taxes. This in turn greatly assists them in meeting the loan-qualification requirements of private lenders, as well as having more income available to pay their monthly mortgage.

ENACTMENT OF AN MCC PROGRAM

MCC Programs are currently in operation in a small but growing number of California cities and counties. The program is Effective, Practical, and it Accomplishes exactly what it was designed to - Provide significant Financial Assistance to average income households buying their first home.

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An MCC program requires an initial action by your city council to start the program. Next, your local Builders, Realtors, and Lenders are made aware of the availability of MCC and the issuance of individual MCCs incorporated in their Listing, Selling and Financing procedures. Lastly, MCCs are issued to qualified homepurchasers as authorized by your jurisdiction.

CFN FINANCIAL SERVICES, PUBLIC FINANCE DIVISION

Most cities, rather than hiring expensive permanent staff, retain a private firm, such as ours, CFN Financial Services, to administer the program. Unlike most housing programs, an MCC PROGRAM can be implemented at minimal COST to your city. We are CONFIDENT that after the advantages are presented to your City Manager, Planning Director, or City Attorney, your Council will - with the strong support of your local Builders, Realtors, Lenders, and, most of all, Prospective Homeowners - elect to participate.

Knowing that you will undoubtedly have several questions, be assured that we will return all "Inquiry Calls" promptly and without obligation.

Please contact us at (408)462-2646!

Sincerely,



David Laughlin
Director, Public Finance Division

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